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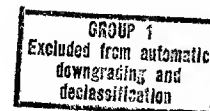
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SUBJECT: Disposition of Agency Financial Records --
Discussions with GAO

1. This is to summarize our negotiations with the General Accounting Office in an effort to obtain Comptroller General approval of an Agency proposal for the disposition of financial records. The proposal was disapproved in January, 1965.

2. In May, 1964, I met with Mr. Robert Keller, GAO General Counsel, to discuss informally a proposal that the Agency authorized to institute a financial records retirement program. By way of preliminaries, I related the storage problems which the discontinuance of the GAO audit had generated. I offered for his perusal a records retirement schedule, together with a draft covering letter to be signed by the then DDCL. After considering these and discussing the provisions of 44 U.S.C. 374, Keller allowed that since there was to be no audit, GAO should accept the proposal; but he hastened to add that final decision was reserved to the Comptroller General. He requested, however, that we allow him to have the

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schedule considered by GAO records technicians. It was not until early August that we received GAO's written comments, which by our memorandum of 6 August 1964, we relayed to the Director of Finance. As a consequence, the schedule was reworked to incorporate the GAO suggestions.

3. At the time of our initial discussion with Keller, we were careful not to indicate that our proposal was limited to vouchered financial records, although admittedly our reference to the GAO audit may have given him that impression. We had previously determined that if approval should be forthcoming, the records retirement program would be administered internally to apply to both vouchered and un-vouchered funds records.

4. After the then DDCI on 22 November 1964 had signed his letter to the Comptroller General, which was to forward the retirement schedule, the then Executive Director by a cover note stated that the DDCI wished to be assured that in making this request the matter of CIA-GAO relationship would not be reopened. In particular, the DDCI wished to know the consequences if the Comptroller General should adopt the attitude, "if I can't review your financial records, I can't approve their destruction."

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4. After several unsuccessful attempts to reach Keller in early December, I was finally able to contact him on the 14th. While advising him that our proposal was ready for formal submission, I told him of the DDCI's expressed concern. It was Keller's opinion that our proposal should have no effect on our relationship, and he would be very much surprised if the Comptroller General should adopt the "I can't " attitude. We concluded our conversation with Keller saying that he wished to discuss the proposal with Mr. Samuelson (Director, Civil Accounting and Auditing Division), and that he would advise us of the outcome in the very near future. In the absence of Keller's call, I called him on 12 January to learn that during the interim period, no action had been taken. As a consequence of Keller's observation that due to the lapse of time the specifics were a bit vague, a copy of the retirement schedule together with a copy of the cover letter was hand-delivered to him that day.

5. It was on 21 January 1965, Keller called to advise that the Comptroller General had declined to approve our proposal, taking the position that he could not assume the responsibility for authorizing the disposition of financial records of a type his office had never seen. While Keller was most apologetic over this outcome, his only suggestion was that we seek remedial legislation.